



FOR IMMEDIATE RELEASE
November 1, 2006

*Office of the United States Attorney
District of Arizona*

For Information Contact Public Affairs
WYN HORNBUCKLE
Telephone: (602) 514-7625
Cell: (602) 525-2681

VEGAS MAN GETS 46 MONTHS IN PRISON FOR FRAUD, MONEY LAUNDERING, AND TAX EVASION

TUCSON - Frank Kolk, 50, of Las Vegas, Nevada, has been sentenced to 46 months imprisonment by U.S. District Judge Raner C. Collins to be followed by four years supervised release. On June 1, 2006, Kolk pled guilty to one count each of mail fraud, bank fraud, money laundering, and income tax evasion. In addition to his incarceration, the judge entered a restitution order in the amount of \$2,500,000 and ordered Kolk to satisfy his IRS debt in the amount of \$1,300,000.

The charges stem from Kolk's scheme and artifice to defraud his employer, NCH Corporation. Kolk had been working as a consultant for NCH Corporation, which is engaged in real estate development as well as the operation of commercial franchises in Arizona and elsewhere. Kolk was responsible for the accounting, record keeping and financial matters for the various NCH restaurants. Consequently, Kolk had signatory authority over numerous NCH bank accounts used for the various franchises as well as the main operating accounts of NCH. Kolk routinely wrote additional "payroll checks" to himself, without the knowledge of NCH, from the bank accounts over which he had control. Another facet of his scheme to defraud NCH was to inflate the amount of money Kolk loaned NCH in order to receive loan repayments in excess of the actual loan made. Kolk then wrote loan repayment checks made payable to him drawn from several different NCH bank accounts totaling \$776,730. Another facet of his scheme was Kolk's payment of some of his personal credit card bills with checks drawn upon NCH's bank accounts. Kolk also wrote checks from NCH bank accounts to pay some of his monthly car payments and repair bills for his Porsches and to make a financial transaction with his stockbroker. Kolk made it appear to Mohave State Bank that he was a good credit risk, in order to obtain a loan with favorable interest terms in the amount of \$70,000 to use to purchase a 2000 Porsche 996 automobile.

Kolk failed to report approximately \$2,000,000 in income for the tax years 2000 through 2003 to the IRS. Kolk has agreed to satisfy his obligation to the IRS and to file tax returns for the years 2003 through 2005.

Kolk used the money he defrauded NCH Corporation of to purchase several luxury and high end sports cars and a \$2,000,000 home in Tucson, Arizona. In related civil forfeiture cases, these assets were forfeited to the government and used to pay restitution to pay NCH Corporation.

The investigation in this case was jointly conducted by the Internal Revenue Service and the Federal Bureau of Investigation.

CASE NUMBER: CR 06-950 TUC RCC (CRP)
RELEASE NUMBER: 2006-231(Kolk)

###